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## Why Risk Rating 2.0: The Case for Change

FEMA is committed to transforming the National Flood Insurance Program (NFIP) into one that people value, trust and best serves the nation. A key part of that transformation is Risk Rating 2.0 (RR 2.0). This new approach will change the way FEMA views flood risk and prices flood insurance.

By leveraging industry best practices and current technology, FEMA can deliver rates that are easier to understand and better reflect a property's unique flood risk. FEMA seeks to achieve more complete recovery for survivors by accurately and clearly communicating flood risk and how it is reflected in flood insurance costs, to provide individuals with information to make more informed decisions on purchasing flood insurance and reducing flood risk.

**FEMA, through RR 2.0, will better inform individuals and communities about flood risk, set premiums to strongly signal those risks, and promote actions to mitigate against it.**

## NFIP's Updated Flood Risk Methodology

The NFIP's current rating methodology has not changed since the 1970s and does not consider individual flood risk and underlying home values. Since then, technology, access to data, and the understanding of flood risk have evolved.

RR 2.0 will fundamentally change the way FEMA rates a property's flood risk and prices insurance by incorporating common sense variables (e.g., more types of flood risk and distance to flooding source) into the rating methodology. Pairing state-of-the-art industry technology with the NFIP's mapping data to establish a new risk-informed rating plan, FEMA can assess the entire country with respect to flood risk, more accurately understand each policyholder's unique risk, and continue to leverage new data as it becomes available.

## Learn More

To learn more about Risk Rating 2.0 and to get the most up-to-date information, please visit [www.FEMA.gov/NFIPTransformation](http://www.FEMA.gov/NFIPTransformation).